

Central Intelligence Agency  
Washington, D.C. 20505

25 January 1983

Executive Director

NOTE FOR D/OP

Executive Registry

83-0501

- The report is interesting. The ExCom (and DCI/DDCI) desire and expectation was that the revision would occur soonest to remove the numeric linkage. So - I wouldn't argue for the thrust of Recommendation A, but do agree that substituting definitions (if in non-bureaucratic English) will accomplish the goal. [Bob and Ev have beaten up on me a couple of times, asking where the revisions were.]
- I strongly endorse Recs. B and D (encouraging more than just "investigating the possibility of relaxing the paperwork..."). Certainly, Rec. C is desirable.
- At some point, after it is known by the DDs that the linkage has been removed, I would like to note the misperception, but not in this format.
- I will be asking both your folks and Harry's for other ideas on paperwork and other procedural re-vamping to stimulate esprit.



STAT

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Linkage of Specific Performance Appraisal Report (PAR) Ratings  
to Eligibility for Performance-Related Awards

D/Pers

83-9774

FROM:

James N. Glerum  
Director of Personnel

EXTENSION

NO.

DATE

21 January 1983

TO: (Officer designation, room number, and  
building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALSCOMMENTS (Number each comment to show from whom  
to whom. Draw a line across column after each comment.)1. *and JNC*  
Executive Director

25 JAN 1983

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D/OA

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Normally, I would not  
forward anything this lengthy  
but I believe you might find  
it interesting.

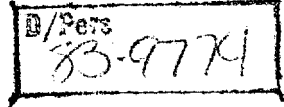
James N. Glerum

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DCI  
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USE PREVIOUS  
EDITIONS



18 January 1983

MEMORANDUM FOR: Director of Personnel


FROM: 

Chief, Policy and Programs Staff


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SUBJECT: Linkage of Specific Performance Appraisal Report (PAR)  
Ratings to Eligibility for Performance-Related Awards

1. BACKGROUND

A. In accordance with the Executive Director's memorandum of 22 November 1982, we have completed our review of all the issuances where specific PAR rating levels are indicated as requirements for eligibility for performance-related awards. Of the nine performance-related awards in the Agency's system, five are medals or certificates and four are monetary awards (SIS Awards and Rank Stipends; Exceptional Accomplishment; Special Achievement; QSI). None of the non-monetary awards require specific PAR rating levels. Of the monetary awards, only the SIS Awards and QSI have specific PAR rating level requirements. 

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B. As noted in the attached report of our review, the current policy for a PAR level of 6 or 7 for a QSI was approved by the Executive Committee in June 1980. The Headquarters Notice which announced it has expired. The expiration of the notice, however, means only that there is now no official, current document of regulatory import that specifies the policy; it does not mean that the policy itself has expired. The comparison chart in the Incentive Awards Program Handbook is the only document which contains a reference to the policy and, while it is an official publication, it probably does not have the weight of regulation. The current SIS Award policy was approved by the Executive Committee in September 1980. 

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2. DISCUSSION

A. In his 22 November 1982 memorandum, the Executive Director stated that he "would see to the revision of those regulations or notices requiring a numeric rating of 6 or 7 for eligibility for rank stipends, bonuses, QSIs, Senior School nominations and the like." The perception



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is that such requirements "force" supervisors to inflate PAR ratings. In view of this, we looked at some statistical data to see if the perception could be substantiated that requiring specific PAR rating levels for certain of our performance awards contributes to the escalation of PAR rating levels. We found the information reported in the following paragraph interesting. [ ]

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B. Our most recent review of PAR rating levels showed that 55.66 percent of the Agency employees were rated at the 6 or 7 level (48 percent were at the 6 level). [ ]

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[ ] A review of the QSI and SIS statistics for the past year -- the only two awards now requiring a specific PAR rating level for consideration -- showed that about 3.5 percent [ ] were granted QSIs and about .7 percent [ ] were granted SIS awards (the SIS awards total is about 25 percent of the SIS population). This total of [ ] employees amounts to about 4 percent of the total Agency population and about 7.6 percent [ ] who were rated at the 6 or 7 level. (We have excluded promotion and achievement/excellence awards data since neither of those systems require a specific PAR rating level; however, even if we assumed that all those promoted [ ] and all those granted achievement/excellence awards [ ] also had 6 or 7 level PAR ratings, and included them, then the total of about [ ] employees receiving some sort of monetary award which would be seen by them as a reward for performance still leaves about [ ] employees rated 6 or 7 who received no monetary recognition at all).

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C. The foregoing data neither prove nor disapprove the perception. If the requirement for high quality performance for QSIs and SIS awards does contribute at all to PAR rating inflation, the numbers of these awards are so small in comparison to the number of employees rated at the 6 or 7 level as to suggest an insignificant contribution. The perception then, seems to be more a misperception than fact. The data suggest strongly, however, that there is a large group of employees whose evaluated performance seems to be deserving of awards and who possibly have been overlooked. This is not to say that all employees rated at the highest levels of our performance scale should be granted monetary recognition of that impressive performance. It is to say that the awards programs seem to be misunderstood, and that it is unlikely that high performance requirements for awards contribute to any significant degree to PAR inflation. I am concerned, however, that if any of the PARs of the [ ] employees who received QSIs and SIS awards really were purposely inflated simply to provide those increases in basic pay (QSI) or the large one-time performance award (SIS) then we have a possibly serious indictment of Agency management. [ ]

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D. Currently, our performance appraisal system uses numbers to represent the seven rating levels, each of which is described narratively by several sentences and by words ranging in number from a low of 33 for level 4 to a high of 49 for level 5. In concert with the theory that employees have a right to know what they must do to qualify for performance awards, we have attempted to translate high quality performance requirements into Agency terminology of common usage which most employees should understand. Although both the QSI and SIS Awards systems are separate from the general incentive awards programs, they track well with a basic two-pronged philosophy of awards: (a) to reward deserving employees whose job performance, ideas, significant contributions and accomplishments, etc. benefit the government and

are substantially above normal job requirements and performance standards; and (b) to provide such recognition in a timely and public fashion as a stimulation and inspiration to other employees to improve their performance, motivation and productivity. Overall performance rating levels which describe performance which "frequently exceeds..." (level 6) or "invariably exceeds..." (level 7) satisfy the intent of high quality performance awards much more defensibly than performance which "occasionally exceeds..." (level 5) or "meets..." (level 4). ☐

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### 3. CONCLUSION

A. I believe that the foregoing information lends itself to the following conclusions:

1. Our current performance requirements for high quality performance awards are in line with the intent of such awards.

2. The perception that the QSI and SIS awards standards contribute to PAR rating inflation probably is more a myth than a fact.

3. The problem that has existed with the QSI almost since inception of the program in 1963 possibly has more to do with a need to provide some easy-to-get (paperwork-wise) recognition to employees who are not promoted for whatever reason than with the alleged too high performance requirements.

4. The high percentage of ratings at the 6 and 7 level is more likely than not attributable to any one or a combination of: loose, or lack of performance standards; broad interpretations of the descriptions; competition for promotion embodied in our comparative evaluation system; or human factors such as reluctance to annoy, hurt, or disturb employees.

5. There is a need to educate Agency managers and employees about awards in general, and performance awards in particular and encourage greater use of the programs. (While some employees would scoff at a Certificate of Merit because it is merely a piece of paper, it nevertheless is a valid recognition for performance achievements.) ☐

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
### 4. RECOMMENDATION

It is my recommendation that:

A. the current performance standards for QSIs and SIS awards be retained in order to maintain the integrity and value of these awards. However, as the use of the numbers seems to be a problem, we should substitute the actual official definitions of those overall rating levels, or paraphrasing, in the texts of notices, regulations, handbooks, etc. (Using the definitions would have the additional advantage of not having to revise issuances each time we redo the PAR system);

B. at the same time, we develop a reward for employees who are promotable based on Career Service precepts and criteria but who are not promoted because of system (such as headroom) restrictions;

C. we embark on an educational campaign on awards, encouraging greater use of the various programs appropriately (the QSI is not the only award available for high quality performance); and

D. we investigate the possibility of relaxing the paperwork requirements for Achievement and Excellence awards in order to make them as easily recommended as is the QSI (the QSI takes one memorandum, supported by the PAR record, signed by SPD; achievement/excellence awards require supervisory recommendations and judgments about tangible/intangible benefits, scope of application, amount of award, etc., and are approved by a committee). 

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Attachment

## ATTACHMENT

January 1983

REPORT ON PERFORMANCE RATING LEVEL  
LINKAGE TO AWARDS

## A. The following issuances were reviewed:

1. Headquarters Regulations: 

Performance Appraisal  
 Promotion  
 Honor, Merit and Service Awards  
 Special Achievement and  
 Exceptional Accomplishment  
 Awards  
 Quality Step Increase paragraph

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2. Field versions of the regulations in 1. above
3. Headquarters and Field Handbooks in the 20 series
4. Headquarters and Field Notices in the 20 series
5. Office of Personnel Memoranda and Notices
6. The Personnel Management Handbook
7. The Employee Handbook
8. The Personnel Management Handbooks of the five Career Services
9. SIS Notices
10. The Performance Appraisal Handbook
11. The Achievement Awards Program Handbook (Hqs) and Incentive Awards Program Handbook (Field)

B. Status of QSI Issuances Review

1. The Executive Committee approved in June 1980 the policy that an overall PA rating of level 6 or 7 which is clearly supported by the narrative statements of the rating and reviewing officials is required for a QSI. This policy was reaffirmed by the then DDCI, Mr. Carlucci, in August 1980. The policy was announced in  in May 1981 which expired in June 1982.

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2. With the expiration of the HN, there is no document of regulatory weight which states the policy. There is however, a chart in the Achievement Awards Program Handbook and the Incentive Awards Program Handbook

which presents a graphic comparison of the various types of performance awards which does show a PAR level 6 or 7 requirement for a QSI. This Handbook certainly is an official document but doesn't carry the weight of regulation except in that it should accurately reflect Agency regulations on the subject matter.

3. The current Personnel Management Handbook reflects the policy; however, the revised version which is at the printers does not.

4. There is no linkage of a specific rating level to the QSI in either the HR or the FR or any other current official Agency issuance.

C. Status of SIS Issuances Review

The Executive Committee approved in September 1980 the policy that an overall PAR rating of level 6 or 7 is required for SIS performance awards and rank stipends. This policy appears in the various Agency issuances listed below and was recently reaffirmed in SIS Notice No. 16 dated October 1982.

The Policy concerning SIS performance awards appears in the following issuances:

1. SIS Handbook, July 1981 (currently felt to be outdated and not in use)

2. Personnel Management Handbook

3. Achievement Awards Program Handbook (comparison chart)

4. Draft of proposed  (currently on hold) intended to institutionalize the SIS program

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